

DRAFT
EPA REGION 2 BRIEFING PAPER
US VIRGIN ISLANDS ENVIRONMENTAL AND PUBLIC HEALTH PRIORITY ISSUES

USVI BACKGROUND INFORMATION

USVI GOVERNOR ALBERT BRYAN:

not responsive

USVI FISCAL CHALLENGES AND INSOLVENCY:

not responsive

not responsive

not responsive

not responsive

USVI ENVIRONMENTAL AND PUBLIC HEALTH PRIORITY ISSUES

EPA Region 2 has been working with the Commissioner of the USVI Department of Planning and Natural Resources (VIDPNR), Jean-Pierre “JP” Oriol, in the agency’s delegated responsibilities of protecting public health and the environment and providing support with the on-going disaster recovery efforts since the 2017 hurricanes. Below are some of the environmental and public health priority issues that have been discussed with VIDPNR Commissioner Oriol or have been highlighted in the USVI press, including:

1. VIDPNR High Risk Designation;
2. Solid Waste Management;
3. Limetree Bay Terminals and Limetree Bay Refining (Formerly HOVENSA, St. Croix);
4. USVI Waste Water Infrastructure and EPA Clean Water Act Construction Grants;
5. Tutu Wellfield Superfund Site;
6. Krum Bay, St. Thomas Subbase Oil Spill and WAPA Utility Vault Flashover Emergency Response;
7. USVI Ambient Air Monitoring Network;
8. USVI Disaster Response and Recovery Efforts; and
9. “Great Mangrove Cleanup” at St. Thomas East End Reserves.

1. VIDPNR HIGH RISK DESIGNATION

not responsive

2. SOLID WASTE MANAGEMENT

not responsive

not responsive

3. LIMETREE BAY TERMINALS / LIMETREE BAY REFINING (FORMERLY HOVENSA, ST. CROIX)

From 1965 until 2015, Hess, HOVIC and then HOVENSA, a joint venture between Hess Oil Virgin Islands Corporation (HOVIC) and the national oil company of Venezuela, Petroleos de Venezuela, S.A., was permitted to operate a petroleum refinery and marine terminal on the island of St. Croix in the USVI. The facility's maximum design capacity was 545,000 barrels of crude oil per day.

EPA and the USVI are parties to a judicial consent decree (CD) with HOVENSA, entered by the federal district court in June 2011, which resolved numerous violations of the Clean Air Act.

In February 2012, HOVENSA idled all refinery and processing operations at the facility, but marine terminal operations including oil storage operations, continued until February 2015 and distribution of oil within the USVI from this facility continued until May 2015. HOVENSA filed for Chapter 11 bankruptcy on September 15, 2015, and its above ground assets were sold to Limetree Bay Terminals LLC (LBT) in January 2016. The USVI government still owns a portion of the land located within the refinery boundaries.

EPA, VIDPNR, and Limetree are negotiating a modification to the CD to reflect the idling and sale of the facility and the planned restart of substantial parts of the facility. LBT currently operates the oil storage marine terminal. Limetree is planning on restart of portions of the facility to:

- produce low sulfur fuel for maritime use that meets the MARPOL standards, which will be effective January 2020;
- construct a single-point mooring buoy to accommodate larger crude tankers;
- expand terminal storage (adding 10-15 million barrels storage capacity);
- potentially produce renewable biodiesel to comply with the Renewable Fuel Standards; and
- potentially restart additional units and potentially increase power generation at the facility.

Limetree has recently told EPA that it anticipates restarting portions of the refinery operations by as early as August 1, 2019, rather than January 1, 2020. This anticipated restart date makes it all the more important that EPA and VIDPNR give this matter a high priority and that there be effective, focused coordination between our two agencies. Several Clean Air Act matters requiring coordination between EPA and the VI are pending before the governments, including:

- Consent Decree modification negotiations
- Refinery Sector Rule compliance extension requests submitted to both the VI and EPA
- Limetree has submitted and intends to submit additional revisions to the facility's Title V permit renewal application.
- EPA and VIDPNR have been working together to revise a State Implementation Plan (SIP) rule to reflect a change that Limetree has made to the facility, which VIDPNR needs to process as a SIP revision.

- Limetree has requested that monitors used to conduct sulfur dioxide ambient air monitoring be removed. VIDPNR and EPA agree that monitoring requirements are needed and need to discuss this with Limetree.
- EPA is reviewing Limetree submissions related to the Regional Haze FIP to determine if controls will be required for a Regional Haze SIP, which the VI will also need to process.

Ex. 7(A)

Ex. 7(A) EPA and VIDPNR need to continue to have focused calls in the near future about the open issues.

4. USVI WASTE WATER INFRASTRUCTURE AND CLEAN WATER ACT CONSTRUCTION GRANTS

not responsive

5. TUTU WELLFIELD SUPERFUND SITE

not responsive

6. KRUM BAY, ST. THOMAS, SUBBASE OIL SPILL AND WAPA UTILITY VAULT FLASHOVER
EMERGENCY RESPONSE

not responsive

7. USVI AMBIENT AIR MONITORING NETWORK

The air monitoring network operated by VIDPNR is not meeting data completeness and data submission requirements. An audit performed by EPA found deficiencies in meeting data completeness requirements for 2017 even after taking into account the impacts of Hurricanes Irma and Maria.

No valid air monitoring data was submitted for 2018. EPA has requested a new action plan to address the ongoing monitoring issues. A corrective action plan to address monitoring issues was previously submitted by VIDPNR to EPA in 2016.

8. USVI DISASTER RESPONSE AND RECOVERY EFFORTS

not responsive

not responsive

not responsive

OTHER ITEMS OF INTEREST

9. "GREAT MANGROVE CLEANUP" AT ST. THOMAS EAST END RESERVES

not responsive